

FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
GALLATIN FOSSIL PLANT
RAIL COAL UNLOADING AND BLENDING FACILITY

Proposed Action and Need

As part of continuing efforts to provide low-cost and reliable power, the Tennessee Valley Authority (TVA) is proposing to reinstate the delivery of coal to the Gallatin Fossil Plant (GAF) by rail instead of the current method of delivery by river barge. Prior to 1997, TVA received coal at GAF by rail. Substantial savings in fuel delivery costs can be achieved at this time by switching back to rail delivery. This project would help TVA meet its goal of supplying low-cost, reliable power, and assist in accomplishing the strategic objective of reducing TVA's delivered cost of power.

Alternatives

In the Environmental Assessment (EA), TVA considered two alternatives: the No Action Alternative (Continue Barge Delivery of Coal) and the proposed Action Alternative (Reactivate Rail Coal Delivery and Install Coal-Blending Capabilities).

Under the No Action Alternative, TVA would have continued to receive coal by barge at GAF, the existing rail delivery system would not be upgraded, and the coal-blending capabilities would not be installed.

Under the proposed Action Alternative, the physical additions and alterations include the installation of a new rapid discharge rail coal unloading and blending facility; modifications to approximately 8 miles of the existing rail spur line; installation of rail unloading and conveying structures; installation of new coal conditioning equipment; expansion of the stockout machinery; the additions of new coal-blending and reclaim mechanisms; and all associated accessories to ensure the facility would operate as specified. This alternative would also include the resumption of rail delivery of coal to GAF, which would involve passage of the approximately five trains per week through the city of Gallatin. This project will produce substantial savings for TVA.

TVA's preferred alternative is the proposed Action Alternative, Reactivate Rail Coal Delivery, and Install Coal-Blending Capabilities.

Impacts Assessment

In developing the scope for the EA, a TVA interdisciplinary team reviewed the potential for direct, indirect, and cumulative effects to occur as a result of the actions. During public review of the Draft EA, agencies, governmental representatives, and the public identified and confirmed resource and impact concerns similar to those earlier identified by the team. Areas of potential impact identified, discussed, and analyzed in the EA were socioeconomics (including income and employment, traffic delays, waterway commercial traffic, environmental justice, and visual resources); noise; safety; air quality; surface water; terrestrial ecology; aquatic life; protected species; wetlands; and cultural resources. For the No Action Alternative (Continue Barge

Delivery of Coal), none of the additional, or incremental impacts identified for the Action Alternative would occur.

For the proposed Action Alternative (Reactivate the Rail Coal Delivery System and Install Coal-Blending Capabilities), there is no potential for impacts to terrestrial species, aquatic life, protected species, wetlands, and cultural resources. With the measures incorporated in project design and the mitigation identified below, impacts relating to socioeconomics (income and employment, traffic delays, waterway commercial traffic, environmental justice, and visual resources); noise; safety; air quality; and surface water would be insignificant.

In order to examine the impacts on traffic delays more closely, TVA used the services of a Nashville-based engineering firm (Barge, Waggoner, Sumner, and Cannon [BWSC]) experienced in traffic analyses to independently examine and evaluate the assumptions, methodology, calculations, and the reasonableness of TVA's assessment of traffic delays related to the resumption of rail delivery of coal through the city of Gallatin to GAF. BWSC indicated a general concurrence with TVA's methodology and findings. Further, CSX has assured TVA that the trains will pass through all intersections in the city of Gallatin in 10 minutes or less. This aspect will conform to the criteria in the Gallatin Municipal Code (Section 15-12) for the operation of trains at crossings. Additionally, TVA also utilized the services of a firm to assist in identifying those residences along Steam Plant Road that might be impacted by noise as a result of resumption of rail traffic along the TVA-owned spur.

Mitigation

The proposed action contains routine compliance measures including the use of best management practices listed in the EA to minimize environmental impacts. In addition, to minimize and mitigate adverse effects, the following special mitigation measures will be followed:

1. All replaced crossties will be recycled as appropriate or disposed of in an approved landfill.
2. The signals at four existing road crossings will be inspected, repaired, or replaced.
3. The entire lead track will be sprayed for vegetation control with a registered herbicide that has not been classified for restricted use.
4. The disposal of brush will be by chipper or by hauling the brush off site. Brush will not be disposed of in any manner that will impair natural drainage.
5. The track will be raised as depicted in Figure 2-4 of the Final EA using rock fill obtained from an existing quarry or soil from previously existing, permitted borrow sites.
6. Railroad construction will conform to the 1985 American Railway Engineering Association's *Manual for Railway Engineering* and CSX (2003) construction specification on track spike pattern requirement for curved track construction.
7. CSX will add remote-switching capabilities, provide an engine configuration with distributed power and use other appropriate means such that the trains clear all crossings in the Gallatin city limits in 10 minutes or less.

8. CSX and TVA will work with city officials to enhance the communications process and/or implement technologies to facilitate activities undertaken by emergency-response agencies.
9. Herbicides will not be applied directly to surface waters, and only U.S. Environmental Protection Agency-registered herbicides that have not been classified for restricted use will be employed at stream crossings.
10. For the eight residences in the vicinity of Steam Plant Road that have been identified in the EA and determined to be impacted or severely impacted by rail noise, TVA will mitigate those impacts by offering to bear the cost of installing soundproofing systems in these homes.
11. To confirm the finding that no significant noise impacts would result from the operation of the rail unloader, TVA will undertake a one-time effort to measure noise levels from the rail unloader once it is operational. In the event that unanticipated levels of noise exceeding applicable guidelines for impacts to affected residences were to be measured, TVA will mitigate those impacts to the no impact level of the Federal Railroad Administration noise impact criteria by installing noise barriers, soundproofing systems, or incorporating other measures that achieve equivalent results.

Although predicted durations of traffic blockage across rail-highway intersections by the coal-bearing trains are within local ordinance requirements and the impacts determined insignificant, CSX and TVA are continuing discussions with the city of Gallatin on ways to further reduce traffic delay times. If a method is technically and financially viable, the appropriate environmental review will be conducted.

Public Involvement and Intergovernmental Review

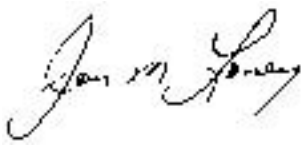
TVA afforded the public and agencies opportunities to comment on the alternatives, impact analyses, and findings in the Draft EA. The Draft EA was posted on the TVA website at <http://www.tva.gov/environment/reports>; copies were mailed to various federal and state agencies; the city of Gallatin mayor's office and the city engineer were contacted by TVA personnel; and TVA held a public meeting in an open house format in the basement of the Gallatin City Hall on June 21, 2005. Comments were formally accepted for the proposed project until close of business on June 27, 2005. TVA received comments from 24 individuals, agencies, or representatives of local government. Following up on these comments, TVA and CSX are continuing discussions with city officials on ways to further reduce traffic delay times.

The major public concerns expressed related to traffic delays, potential disruption of emergency services (related to traffic delays), noise, and air quality. Particular comments and concerns were addressed through additional analyses and appropriate modifications to the EA. TVA's responses to comments are summarized in Appendix A of the EA. Additionally, as mentioned under Impacts Assessment, TVA retained an engineering firm with experience in evaluating traffic impacts to independently review and evaluate the assumptions, approach, calculations, and reasonableness of TVA's traffic delay analyses. TVA also retained an independent firm to assist in identifying those residences along the TVA rail spur that could be impacted by noise from the resumption of rail delivery of coal.

Conclusion and Findings

Environmental Policy and Planning's National Environmental Policy Act (NEPA) Administration staff has prepared this subject EA, and determined that the potential environmental

consequences of TVA's proposed Action Alternative of Reinstating Rail Delivery of Coal and the Installation of Blending Capacity would not be significant. This conclusion takes into account implementation of the environmental commitments and mitigation measures listed in Section 3.11 of the EA. Therefore, the proposed action is not a major federal action significantly affecting the quality of the environment. Accordingly, an Environmental Impact Statement is not required. This Finding of No Significant Impact is contingent upon successful implementation of the commitments listed above and in the Final EA. Moreover, the State Historic Preservation Officer concurs that the proposed undertaking would not impact historic properties, fulfilling TVA's obligations under Section 106 of the National Historic Preservation Act, and the U.S. Fish and Wildlife Service concurs that the proposal is not likely to impact threatened or endangered species adversely, fulfilling TVA's obligations under Section 7 of the Endangered Species Act.



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Date Signed